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E.O. 12958: DECL: 03/06/2018

TAGS: PGOV ECON PBTS PHUM SCUL SOCI TI UZ

SUBJECT: JIZZAKH PROVINCE -- THE "FARGO" OF UZBEKISTAN

REF: A. TASHKENT 281 ¶B. TASHKENT 80

Classified By: POLOFF R. FITZMAURICE FOR REASONS 1.4 (B, D)

11. (C) Summary: During a one-day trip to Jizzakh province on February 29, the Ambassador met with the acting provincial Hokim (governor) Musa Anarbaev, toured a battery production plant operated by an U.S.-Uzbek joint venture, had lunch with alumni of US government exchange programs, and visited a museum dedicated to the Uzbek poet Hamid Alimjan. In addition, the Ambassador met with human rights activist Bakhtiyor Hamroev and his son Ikhtiyor, who was amnestied and released from prison on February 2 (ref A). The Ambassador was accompanied to all of his meetings by the Jizzakh Deputy Hokim. Throughout the trip, the Ambassador was warmly received, another indicator of the gradually improving tenor of relations between Uzbekistan and the United States. End summary.

NEW ACTING JIZZAKH HOKIM

- 12. (C) The Ambassador was warmly received by Jizzakh province's acting Hokim (governor) Musa Anarbaev, who took up his post in February 2007 after his predecessor, Ubaidulla Yamankulov, was fired in January 2007. According to political FSN, it is rumored that Anarbaev will be made Hokim shortly. Previously, Anarbaev served as Hokim of the Bakhmal and Mirzachul districts of Jizzakh province, where he was reportedly well-respected. In addition, he told the Ambassador that he had served as a collective farm chairman during the Soviet era and originally came from a village in Jizzakh province. Anarbaev came off in the meeting as less polished than other provincial hokims, but also less guarded in his comments to the Ambassador.
- 13. (C) According to political FSN, Anarbaev is relatively popular and well-respected in Jizzakh province, especially compared to Yamankulov, a protege of Prime Minister Shavkat Mirziyaev who was widely disliked and was seen as treating the province as his own feudal estate. On one occasion Yamankulov reportedly resolved a conflict with a local school director by handcuffing him to a fence behind the hokimiyat. After being fired, Yamankulov moved briefly to Tashkent, where he was reportedly arrested and detained by Uzbek authorities. His current whereabouts remain unknown,

BASIC OVERVIEW OF JIZZAKH AND ITS ECONOMY

14. (C) Anarbaev began his meeting with the Ambassador by giving him an overview of his province's demographics and economy. Jizzakh province is divided into 12 separate districts and one municipal center (Jizzakh city) and has a population of 1.08 million. Overall GDP stood at 73 billion soums (53.28 million dollars) and was growing by about 8percent a year. Contradicting his earlier statistics, Anarbaev stated that per capita GDP stood at 726,000 soums (530 dollars) per annum, while salaries averaged between 190 - 200 dollars per month. The agricultural sector accounts for 49 percent of provincial gross domestic product, while industrial production accounted for only 8 percent, which Anarbaev readily admitted was low and needed to be improved. He added that 22,000 private companies operated in Jizzakh, including 20,100 small businesses, as well as 13,000 private farmers. The former Soviet system of collectivized labor had largely been dismantled, with 98 percent of crops now being produced by private farmers. Anarbaev noted that the government had supported agriculture by providing 40 billion soums (29 million dollars) in loans at a low interest rate of 3 percent.

THREE U.S.-UZBEK JOINT VENTURES OPERATING IN JIZZAKH

15. (C) According to Anarbaev, a total of 42 joint ventures between Uzbek and foreign companies operated in Jizzakh. In addition to the Uzexide U.S.-Uzbek joint venture (whose plant the Ambassador toured later that day), Anarbaev reported that

there were two other U.S.-Uzbek joint ventures in Jizzakh: "Elite," an Uzbek-American-Dutch joint venture engaged in cotton seed delinting; and Osiyo Plast, a U.S.-Uzbek joint venture focusing on plastic production. Anarbaev added that authorities supported the growth of small businesses through the provision of 21 billion soums (15.3 million dollars) in loans.

JIZZAKH INVESTING IN EDUCATION AND YOUTH

16. (C) Anarbaev was especially proud of his administration's heavy investment in education and other projects for youth. In the last year alone, Jizzakh has renovated five high schools, eight colleges, and 181 elementary schools. In commemoration of 2008, which the government has billed as the "Year of Youth," the administration is building a "Youth Village" in a park between the province's two institutions of higher learning, the Jizzakh Polytechnical Institute and Jizzakh Pedagogical Institute. The Hokim shared with the Ambassador plans for the village, which when completed in September, will hold a day care center accommodating 100 children, a medical unit accommodating 50 patients, internet cafes, a stadium, tennis courts, and other recreational facilities. Anarbaev said that his Deputy Hokim and other officials traveled to Malaysia last year to study "youth villages" there. Anarbaev also revealed that the province was spending 300 million soums (220,000 dollars) to reconstruct Jizzakh's "orda" (fortress), which once formed Jizzakh's historical center. In the early Soviet era, the fortress also served as the launching pad of a short-lived insurrection against Bolshevik leaders in Tashkent.

GOVERNMENT SEEKS COOPERATION IN POLITICAL SPHERE AS WELL

17. (C) Anarbaev assured the Ambassador that his government was seeking cooperation with the United States not only in the economic sphere, but in the political sphere as well. He noted that Uzbekistan and the United States shared an interest in combating terrorism and maintaining stability in Afghanistan. Interestingly, Anarbaev praised US-government exchange programs, whose alumni he noted have successfully

applied the knowledge that they acquired in the United States upon returning to Uzbekistan.

"WE HAVE A LOT TO LEARN ABOUT DEMOCRACY"

¶8. (C) Anarbaev appeared reasonably well-informed about world events, noting that he frequently watched Euronews, a European news station widely available on satellite television throughout the former Soviet Union. He said he was following the Presidential primary season in the United States, naming candidates Hillary Clinton and Barack Obama. He added that Uzbekistan had a lot to learn from the United States about democracy.

BORDER ISSUES WITH TAJIKISTAN

19. (C) Referring to his time as the Hokim of Bakhmal district of Jizzakh province, which shares a mountainous, 65 kilometer border with Tajikistan, Anarbaev said that he had to act as his own foreign minister at times. In particular, he noted that there were roughly 18 unofficial crossing points in Bakhmal district and about 32 villages within close proximity of the border that maintain cultural and economic ties with Tajikistan. However, Anarbaev stated that Jizzakh province does not receive significant water supplies from Tajikistan, as most of the water of the Zarafshan River flows south to Surkhandarya, Samarkand, and Bukhara provinces. Jizzakh province's annual allotment of water is 7 percent of the total, regardless of actual water levels. Anarbaev did not expect flooding to be a problem this year, despite the especially cold winter and increased accumulation of snow in the mountains.

TOUR OF UZEXCIDE BATTERY PLANT

- 110. (C) After his meeting at the hokimiyat, the Ambassador was provided a tour of an automobile battery plant in Jizzakh operated by the Uzexide U.S.-Uzbek joint venture. The joint venture was formed in 1998 by the U.S. company Exide AB Limited Incorporated (which holds a 51 percent share), and two Uzbek partners, Uzavtosanoat (which holds 48.3 percent) and Dzhizakkakumulyator (which holds .7 percent). The battery plant was first opened in 2003 at the cost of 78.18 million dollars. The Ambassador's tour was led by the plant director, Kudratilla Rafikov, who also served on the Tashkent-Seattle sister city committee. The plant employs more than 400 people and has produced more than a million disposable and rechargeable automobile batteries since opening. In 2008, Uzexide plans to produce 600,000 batteries and export 5.8 million dollars worth. Currently, the batteries are mostly exported to other Commonwealth of Independent States (CIS) countries and Asia, including Afghanistan and China. Rafikov noted that 90 percent of the equipment used in the plant was imported from the United States.
- 111. (C) Towards the end of the tour, Rafikov mentioned that one of their challenges is finding new markets. In response, the Ambassador suggested that Uzexide explore whether it could become a supplier for General Motors' (GM) UzDaewoo plant in the Ferghana Valley town of Asaka. The Ambassador described a presentation given by a General Motors executive at the American Chamber of Commerce in Tashkent the week before, in which the executive explained GM's plans to follow the Uzbek government's "localization" policy of limiting imports and maximizing the use of automobile components produced in Uzbekistan. The Ambassador also mentioned GM's plants during his earlier meeting with the Hokim.

LUNCH WITH EXCHANGE PROGRAM ALUMNI

112. (C) The Ambassador had lunch in Jizzakh with a group of six alumni of US-government exchange programs who work in local schools and colleges as teachers and administrators. Five of the alumni had participated in either the Community

Connections program, administered by the International Research and Exchanges Board (IREX), while one was an alumnus of the Partnership in Education (PIE) program, administered by the American Councils for International Education (ACCELS). Both programs shut down after their respective implementers were forced to depart Uzbekistan following the Andijon events in 2005. Each of the alumni spoke positively about their experiences in the United States and how they were able to share what they had learned abroad with their colleagues upon returning to Uzbekistan. The alumni also remain engaged in community projects. One of the alumni expressed interest in applying for an Embassy alumni grant to produce copies of English textbooks for children that she had designed by hand, while another alumnus, who currently operates an environmental non-governmental organization in Jizzakh, planned to apply for a grant through the Embassy's Democracy Commission.

113. (C) The alumni noted that both IREX and ACCELS had coordinated events for alumni before they were forced to depart the country, and inquired whether they may be able to return to Uzbekistan. The Ambassador noted that the Uzbek government had recently expressed interested in allowing some NGOs return to Uzbekistan, including ACCELS. He also encouraged them to form their own alumni association in Jizzakh. In addition, the alumni inquired about the possibility of reestablishing the Peace Corps program in Uzbekistan. Several of them had collaborated with Peace Corps volunteers to establish educational resource centers at their schools which they continue to operate.

TOUR OF HAMID ALIMJAN MUSEUM

114. (SBU) After meeting with human rights activist Bakhtiyor Hamroev (ref A), the Ambassador ended his tour of Jizzakh with a visit to a museum dedicated to one of Jizzakh's most famous sons, the poet Hamid Alimjan. Alimjan is most well-known for his poem "Zaynab and Amam," which besides being a love story, focused on the changing role of women on a collective farm. After Alimjan was killed in a traffic accident in 1944, his poetess widow, Zulfiya Alimjan turned his work into an opera. The first floor of the museum was dedicated to the life of Hamid Alimjan, while the second floor was dedicated to Zulfiya Alimjan. The Ambassador was accompanied by Alimjan's grandson, an Embassy FSN who bears a striking resemblance to his grandfather. On March 1, the Ambassador also attended a memorial event honoring Zulfiya Alimjan in Tashkent, which was also attended by several high-ranking government officials, including Human Rights Ombudsman Sayyora Rashidova. Rashidova's father Sharof Rashidov, the Uzbek communist party boss from 1959 to 1983, hailed from Jizzakh.

JIZZAKH SPRUCED UP BEFORE AMBASSADOR'S ARRIVAL

 $\P15$. (C) Two FSNs who participated in the advance team that toured each of the meeting sites in Jizzakh on February 28, a day before the Ambassador's arrival, said that the hokimiyat appeared to be taking the Ambassador's visit very seriously. They were escorted to each of the sites by hokimiyat officials, who were in constant contact with each other by cell phone making sure that everything was in order. In particular, the FSNs saw a large number of people, including some schoolchildren, busily sweeping Jizzakh's streets. The hokimiyat even arranged for the neighborhood of human rights activist Bakhtiyor Hamroev to be cleared of garbage, probably for the first time in several years. The Ambassador was warmly welcomed at each of his stops during his trip. In an unusual move, the Hokim himself was waiting for the Ambassador outside in front of the hokimiyat as his car arrived. The Ambassador was also greeted at the battery plant by a large, professionally-made banner, welcoming him and his wife by name. At the Alimjan Museum, the Ambassador was also treated to a short concert and a troupe of dancing school children.

116. (C) Jizzakh is perhaps the "Fargo" of Uzbekistan -- a city that has carved out its own identity on the sprawling plains, combining an agricultural base with higher education and an ability to attract industry and create some jobs despite tough times. As with his visit to Bukhara province in January (ref B), the Ambassador was warmly received by the hokimiyat in Jizzakh, which helped arranged some of the visits and ensured that everything went smoothly. This red carpet treatment is in stark contrast to how Emboffs have been treated during trips to the provinces in previous years and is another indicator of the gradually improving tenor of relations between Uzbekistan and the United States. Clearly, provincial leaders have been instructed by Tashkent to treat the American Ambassador with respect and take his visits seriously. Most significantly, the hokimiyat did not obstruct a meeting with human rights activist Bakhtiyor Hamroev. Instead, a Deputy Hokim attended, thus providing Hamroev with a rare opportunity to directly engage with a relatively high-ranking provincial official (ref A). NORLAND